the party fall for six nights (monthly) to pay subscriptions, payment, and redemption money, the trustees shall absolutely sell the premises for the most money that can be gotten for them, and all loss shall be borne by the mortgagor. We see nothing objectionable in the party being made answerable to the society for the payments of the subscriptions and other charges, as the same shall become payable, after he consents to take its money at terms which must eventually prove his ruin to "the satisfaction of the solicitors and trustees for the time being."

The following plan has been suggested to render Building Societies really beneficial; and we cheerfully insert it on the principle, *audi alteram partem;* premising that our quotation is the result of its author's laborious calculation:—

Present System.		*Proposed System.*	
7½ shares, at 60*l.*	£450	3 shares, at 150*l.* ...	£450 0
the annual payments would be			
Subscription, 7½ shares, at 5*l.*	45	Subscription, 3 shares, at 12*l.*	36 0
Interest, 7½ shares, at 10s.	18	Interest, 3 shares, at 150s.	22 10
	£63		£58 10
which, multiplied by	10		94
would make a total payment of	£630		£555 15
Deduct the sum received by the borrower—	£450		£450 0
shews the actual amount paid for the loan of the money to be	£180		£105 15

"Now, if it were possible for the existing societies to close in ten years, the payments by the borrowers for a loan of 450*l.* would be 4*l.* 10s. per annum less to a society similar to that here suggested, than it would be to any of the existing societies, and there would be a difference in the total payments of 74*l.* 5s. The borrowers who paid the lesser sum would likewise have the advantage of only being required to give security for the amount they actually received; and, in the event of their failure in making their monthly payments, the property would not be sold for more than the balance remaining due of the amount actually advanced.

"In a society formed on this principle, it would be the interest of all the members to prevent the failure of the borrowers; at any rate, if such an event did occasionally occur, it would not have been caused by his connection with the society, or would they be liable to the imputation of having largely benefited by his ruin?"

Transfer of shares.—Shares may be transferred on payment of 10s. 6d. for each share transferred or sold, as a bonus to the society, and subject also to the premium at which the same shall have been purchased, and to all other fines, subscriptions, and charges, payable according to the rules of the society, all of which make a material difference in augmentation of the society's funds, and which we could not contemplate in our previous calculations of the capitalists' profits.

Members withdrawing.—"Protest, if you like," said Lord Ellenborough to William Hone, "and go about your business;" not so the building societies—if a member withdraw, we suppose he has protested—in the first year he shall forfeit *one guinea* per share, in addition to the entrance fee; if within the second year, a forfeiture of 10s. 6d. per share, in addition to the entrance fee, and so on; but "these forfeitures extend not to the widows and children of deceased members, holding not more than two shares in the society."

Power of the directors to borrow money for the use of a society.—This is very questionable, and, we believe, entirely at variance with the letter and the spirit of the Act of Parliament, under which these societies are constituted, though that Act, s. 2, allows of "bonus on any share or shares, for the privilege of receiving the same in advance prior to the same being realized." Capitalists in these societies should not need to borrow; and a banker who would lend, at 4 or 5 per cent., to enable a society to discount "notes of hand," would, in Parliamentary language in the times of George IV., "turn his back upon himself."

We may be associated with that "detestable class of wretches who oppose building societies;"* but we would bear any obloquy if we could reform things amiss in these societies; and shew sensible men, who may be in their direction, that the borrowers are aggrieved, and, we believe, no two justices of the peace in Britain can gainsay our arguments, as to the profits of the lenders and the duration of these societies. It is the abuse, not the use of the thing, we speak about; and we discard all morbid philanthropy for the industrious classes in treating of the equity belonging as well to the rich as to the poor man. We would court justice for both; and we should recommend the directors to print their rules as the *Book of Justice of Building Societies*, and add thereto the *Catechism of Borrower and Lender*.

These observations, in allusion to the reformation of building societies, are suggested by the arithmetic of their managers, not by assumed data of our imaginings; and we find them responded to by the "Fourth Annual Report of the Liverpool Temperance-Benefit Building Society," in which the average premium is stated to have been 58*l.* 10s. 6d. a share; and while the society "had not the least difficulty in effecting sales of its *funds*," yet the withdrawals during the past year had increased, and the committee could not look upon this peculiarity in the history of the year gone by without feelings of pain; "but this is ascribed to the pressure of the times, which pervaded in so calamitous an extent every grade, but more especially the industrious classes of the community."

We might bring an array of figures, like the trees in an American wilderness, to dissect the balance-sheets of the several societies we have noticed, and of others we have not space to introduce, but we spare ourselves the trouble, and the societies the pain, this would inflict, being satisfied of this one thing, that the legislature will soon look into the management of these societies; for as sure as "the prayer of the humble pierceth the clouds; and till it come nigh he will not be comforted;" so will the appeal of men yet reach the ears of the legislature, who "will not accept any person against a poor man, but will hear the prayer of the oppressed, and will not despise the supplication of the fatherless, nor the widow when she poureth out her complaint."

In that of LAMBETH the borrower is said "to participate equally in the premium and interest given by himself and by all other borrowers," thus "reducing in proportion his amount of premium and interest, till at last, when the deeds of property are returned to him, he will find that he has paid the capital borrowed, *that the premium has become a shadow*,—

> ——— "agnovitque per umbram
> Obscuram, qualem primo qui surgere mense
> Aut videt, aut vidisse putat nubila lunam.
> Demisit lacrimas, dulcique adfatus amore est:
> * * * *
> 'Siste gradum, teque adspectu ne subtrahe nostro,
> Quem fugis?'"

"and the interest trifling." But we have done, observing that the people of Lambeth covet domiciles at Kingsland, where they have mortgages in six houses; the city, where they have *one;* Newington, *one;* Lambeth—*proh pudor!* one; and FOUR at Lewisham, which "are mortgaged for 6,600*l.*," or above 576*l.* a piece. And, in the balance-sheet, it is fairly stated that "3,556*l.* are Dr. to premiums on fifty-five shares taken up and secured on property," viz. the thirteen houses aforesaid mortgages on the Cr. side of the account. This, we presume to believe, makes it pretty plain that the bonus is treated as profit which the society has realized by its transaction with the borrower; and when we look at the very small sums allowed surveyors in the balance-sheets of the various building societies, we cannot lend our belief to the words of "W.," who has replied to Greenway Robins, that "Architects and surveyors are the gentlemen who most profit by these societies;" professional men—save and except the lawyers, are not usually men of means to set on foot or sustain such societies; and we therefore still adhere to our opinion, that these societies could not make the advances they lavish without the assistance of capitalists; for to whom else would the Liverpool Banking Company advance 466*l.*, the Hertfordshire Bank 414*l.*, the Reading Bank 994*l.*? Not to the man assuredly who bought 57*l.* for 120 good sovereigns, to be paid within a given time.

We speak without prejudice and in a spirit of reverence in what follows, that the rules of these societies are "as the words of a book that is sealed, which men deliver to one that is learned, saying, Read this, I pray thee; and he saith, I cannot, for it is sealed. And the book is delivered to him that is not learned, saying, Read this, I pray thee; and he saith, I am not learned." Isaiah xxix. 11, 12. Learned men, good men, and men well skilled in commercial dealings, belong to these societies; they are their supporters. All other men who question their management are denounced "traducers" of building societies. But in a great country like Britain this should not be the language applied to these conscientious dissentients, who are not "found where parables are spoken."

We will conclude this letter with a quotation from the proceedings of the Court of Common Sense, which puts the case in a somewhat different point of view from our argument, and leave the reader to adopt which he pleases; especially as the question regards the operation of interest and the duration of the societies:—

"In order to terminate the society in ten years, a payment of 10s. per month, with compound interest and accumulations, must realize 120*l.*; and to accomplish this, the money paid in each year must produce twenty per cent. per annum, as is proved by the following calculation:—

INTEREST REQUIRED BY THE LENDERS.

Payments each year.		Number of years' interest required.	Amount at 20 per cent.		Amount paid with interest at end of 10 years.	
	£. s. d.		£. s. d.		£. s. d.	
1st.	6 0 0	9½	11 8 0		17 8 0	
2nd.	6 0 0	8½	10 4 0		16 4 0	
3rd.	6 0 0	7½	9 0 0		15 0 0	
4th.	6 0 0	6½	7 16 0		13 16 0	
5th.	6 0 0	5½	6 12 0		12 12 0	
6th.	6 0 0	4½	5 8 0		11 8 0	
7th.	6 0 0	3½	4 4 0		10 4 0	
8th.	6 0 0	2½	3 0 0		9 0 0	
9th.	6 0 0	1½	1 16 0		7 16 0	
10th.	6 0 0	½	0 12 0		6 12 0	
Sum paid	60 0 0	Interest	60 0 0	Total in 10 yrs.	130 0 0	

"The borrowers pay two pounds per cent. on the nominal value of the share—viz., 120*l.*; but as only 61*l.* is received from the society, and the repayment is by monthly instalments, it is actually seven and a half per cent., that is, supposing these societies to terminate in ten years. If they continue for a longer period, the annual payments are to be added to the interest, which is thereby very largely increased.

"If the fines and other extra payments amount to another two and a half per cent., making in all ten per cent., the monthly payments of ten shillings will, if constantly employed (which is very doubtful), in ten years only realize 90*l.*, being but half the profit required to terminate these societies.

"In the Manchester society, those members who did not purchase shares had to pay 110*l.* before they realized the sum of 150*l.*; by the same rule, a monthly payment of ten shillings will, in the same time, only realize 75*l.* The members of the Manchester society paid fourteen shillings and eightpence before they realized twenty shillings, being five shillings and fourpence profit in the pound: and if the members of these societies have to pay in the same proportion, their duration will be fourteen years and eight months."

FIRES FROM FLUES AND HOT-WATER PIPES.—In Mr. Braidwood's report on fires during the ten days ending Jan. 1st, it is stated that out of twenty-six which occurred, in six cases the fires were caused by stoves or flues, one by unslacked lime, one by hot-water pipes used for heating the building, one by a malt-kiln, three by the ignition of curtains, and one by the breaking of a melting pot. In the remaining cases the cause was unknown.

THE TEMPORARY EXCHANGE.—This building, which was erected about six years ago in the Excise-office yard, Old Broad-street, is to be sold next Wednesday, in one lot, by Messrs. Simson, of King's Arms-buildings. It is 140 feet in length, and 40 feet wide, supported on wood pillars, with wrought-iron girders, and slate roof.

* Kerr's "Advantages to be derived from Building Societies" rule xxii.; (his commentary thereon), p. 73.

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